



STAMFORD TYRES

SUSTAINABILITY
REPORT

2023

STAMFORD TYRES CORPORATION LIMITED

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1. Board Statement

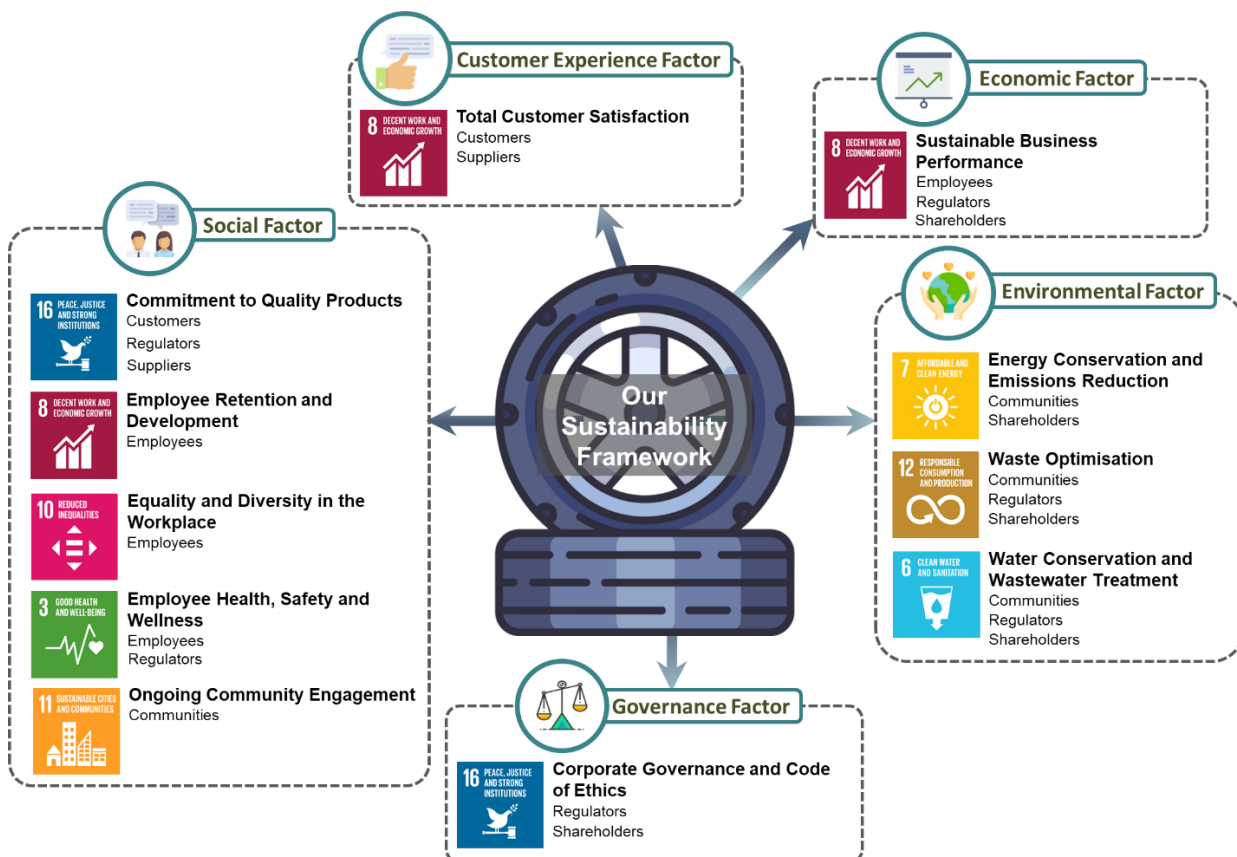
We reaffirm our commitment to sustainability with the publication of our sustainability report (“Report”). For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance (“ESG”) factors, economic performance and customer experience (collectively as “Sustainability Factors”).

Whilst mindful of our overall profit-oriented objective, we are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure the long-term future of Stamford Tyres Corporation Limited (the “Company”) and its subsidiaries (collectively known as the “Group”). This commitment is reflected in our sustainable business strategy and the material Sustainability Factors which are shown in this Report.

A Sustainability Policy (“SR Policy”) covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors has been established and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

Our sustainability framework communicates our commitment towards supporting the United Nations’ Sustainable Development Goals (“SDGs”) and is primarily driven by the concerns of our key stakeholders.

We work closely with key stakeholders in our value chain and their inputs drive our sustainability focus on our material Sustainability Factors and the SDGs as follows:



FY2023 Sustainability Report – Stamford Tyres Corporation Limited

A summary of our key sustainability performance in FY2023 is as follows:

Sustainability factor	Performance indicator	Sustainability performance	
		FY2023	FY2022
Customer experience	Market presence	One of the largest independent tyre and wheel distributors in Southeast Asia	One of the largest independent tyre and wheel distributors in Southeast Asia
Economic	Economic value generated ¹	S\$195.10 million	S\$196.67 million
	Operating costs ²	S\$144.88 million	S\$165.89 million
	Salaries to employees	S\$25.83 million	S\$26.00 million
	Tax to governments	S\$2.48 million	S\$2.56 million
	Payments to providers of capital ³	S\$8.13 million	S\$6.42 million
Environmental	Greenhouse gas (“GHG”) emissions intensity (tonnes CO ₂ e/revenue S\$’000)	0.07	0.08
	Percentage of aluminium chips recycled	88%	88%
	Water consumption rate (Cu M/revenue S\$’000)	0.80	0.82
	Percentage of wastewater treated by water treatment plant	100%	100%
Social	Number of safety related defects which caused accident and/or injury	-	-
	Average training hours per full-time employee	7 hours	5 hours
	Turnover rate	18%	16%
	Number of reported incidents of unlawful discrimination ⁴ against employees	-	-
	Number of workplace fatalities	1	-
	Number of high-consequence ⁵ work-related injuries	-	-
	Number of recordable work-related injuries	11	15
Governance	Number of work-related ill health cases	-	-
	Number of complaints on serious offence ⁶	-	-

To address the global economic challenges arising from the uncertainties due to intense market competition, geo-political and financial events globally, the Group has deployed resources and implemented strategies to diversify its product offerings to adapt to the ongoing market changes.

We will continue to focus on growing our sales of car tyres and SSW wheels, as well as truck tyres and mining tyres. We are also focusing on improving our sales productivity and upgrading value-added segments such as Stamford Tyres Mart retail chain and truck centres.

¹ Economic value generated includes revenue, other revenue and share of results of joint ventures, net of government grant.

² Operating costs include purchases, marketing and distribution, utilities, repairs and maintenance, lease expenses, principal element of lease payments, other operating expenses, net of foreign exchange loss/(gain), allowance for inventory obsolescence, fair value (gain)/loss on derivative and (write-back of)/allowance for expected credit loss.

³ Payments to providers of capital include dividends to shareholders and interest paid.

⁴ Unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to the Company.

⁵ High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.

⁶ A serious offence is defined as a serious offence that involves fraud or dishonesty and is being or has been committed against the Company by its officers or employees. Such an incident is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than S\$100,000.

2. Reporting Framework

This Report has been prepared in accordance with 711A and 711B of the Singapore Exchange Securities Trading Limited (“SGX-ST”) listing rules. The Company has prepared this Report for the period from 1 May 2022 to 30 April 2023 with reference to the Global Reporting Initiative (“GRI”) Standards. We have chosen to report using the GRI framework as it is an internationally recognised reporting framework. The GRI content index can be found in Section 11.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 (“UN Sustainability Agenda”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries - developed and developing - in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

We are also guided by the recommendations of the Taskforce for Climate-related Financial Disclosures (“TCFD”) in our climate-related disclosures.

We have relied on internal data monitoring and verification to ensure accuracy for this Report. We will work towards internal review and/or external assurance for our future sustainability reports.

3. Reporting Scope

This Report is applicable for our financial year from 1 May 2022 to 30 April 2023 (“FY2023” or “Reporting Period”) and a copy of which can be found in our corporate website <http://www.stamfordtyres.com>. A sustainability report will be published annually in accordance with our SR Policy.

This Report covers the key operating entities within the Group which contributed to approximately 98% (FY2022: 98%) of the Group’s total revenue for the Reporting Period:

S/N	Entity
1	Stamford Tyres Corporation Limited
2	Stamford Tyres International Pte Ltd
3	Stamford Tyres (M) Sdn Bhd
4	PT Stamford Tyres Distributor Indonesia
5	PT Stamford Tyres Indonesia
6	Stamford Sport Wheels Company Limited
7	Stamford Tires Distributor Co., Ltd
8	Stamford Tyres (Africa) (Pty) Limited
9	Stamford Tyres Australia Pty Limited

4. Feedback

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account: weisze@stamfordtyres.com or siti@stamfordtyres.com.

5. Our Business

5.1 Value Chain



Key Suppliers

Comprise mainly suppliers for major brands of tyre and contract manufacturers to produce tyres under our proprietary brands⁷ (collectively referred to as “Suppliers”)

Key Operations

- Wholesale and retail of tyres and wheels
- Manufacture and sale of aluminium alloy wheels
- Servicing of motor vehicles
- Retreading of tyres
- Fleet management

Key Customers

- Comprise mainly retailers and sub-distributors
- Fleet operators
- End-user retail customers

5.2 People

As at 30 April 2023, the Group has a total of 812 (FY2022: 849⁸) employees with the following breakdown:

Singapore	Malaysia	Thailand	Indonesia	South Africa	Australia	Total
Overall⁹						
222	87	346	115	34	8	812
Full-time¹⁰						
222	87	346	115	34	7	811
Part-time¹¹						
-	-	-	-	-	1	1

6. Stakeholder Engagement

Through an internal stakeholder mapping exercise, we have identified key stakeholders which we prioritise our engagements with. These include entities or individuals that have an interest that are affected or could be affected by our activities.

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders, which comprise communities, customers, employees, regulators, shareholders and suppliers.

⁷ For further details on our proprietary brands and alloy wheels, please refer to section 8.6.

⁸ Figure has been restated as a correction. Consequentially, adjustments are made to other related human resources metrics.

⁹ The number of non-guaranteed hours employees is immaterial compared to the Group’s total headcount and thus excluded from our social topics.

¹⁰ Full-time employees refer to individuals whose contractual working hours are defined according to national law or practices. Our full-time employees are mainly under permanent employment contracts.

¹¹ Part-time employees refer to individuals who are under a contract of service to work less than the contractual working hours of full-time employees. Part-time employees are excluded from our social topics as their number is immaterial compared to the Group’s total headcount.

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We actively engage our key stakeholders through the following channels:

S/N	Key stakeholder	Engagement channel	Frequency of engagement	Key concern raised by stakeholder
1	Communities	Community campaigns	Regularly	<ul style="list-style-type: none"> ▪ Social inclusion ▪ Environmental initiatives
		Sustainability report	Annually	
2	Customers	<ul style="list-style-type: none"> ▪ Physical meetings and visits ▪ Remote meetings ▪ Calls ▪ Email communications ▪ Social media 	Regularly	<ul style="list-style-type: none"> ▪ Customer service ▪ Product diversification ▪ Product quality and safety ▪ Product pricing
3	Employees	<ul style="list-style-type: none"> ▪ Physical meetings and talks held by the management ▪ Remote meetings ▪ Email communications 	Regularly	<ul style="list-style-type: none"> ▪ Equal employment opportunity ▪ Job security ▪ Remuneration and benefits ▪ Career development and training opportunities ▪ Workplace safety and health
		Staff evaluation sessions for eligible employees	Annually	
4	Regulators	Consultations and briefings organised by key regulatory bodies such as SGX-ST	As and when required	<ul style="list-style-type: none"> ▪ Corporate governance ▪ Workplace safety and health ▪ Regulatory compliance
5	Shareholders	<ul style="list-style-type: none"> ▪ Annual report ▪ Sustainability report ▪ Annual General Meeting 	Annually	<ul style="list-style-type: none"> ▪ Sustainable business performance ▪ Market valuation ▪ Dividend payment ▪ Corporate governance
		Result announcements	Half-yearly	
		Dedicated email account for investor relations	Ongoing	
6	Suppliers	Supplier evaluation	Annually	Demand volatility
		<ul style="list-style-type: none"> ▪ Physical meetings and visits ▪ Remote meetings ▪ Calls ▪ Email communications 	Regularly	

Through the above channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

7. Policy, Practice and Performance Reporting

7.1 Reporting Structure

Our sustainability strategy is developed and directed by the senior management in consultation with the Board of Directors (“Board”). The Group’s Sustainability Committee (“SC”), which includes senior management executives and key managers from various functions (“Senior Management Team”), is led by the Executive Directors (“EDs”) and Chief Executive Officer (“CEO”). The SC is responsible for maintaining oversight on the Group’s sustainability ambitions, strategies and performance.



7.2 Sustainability Reporting Processes

Under our SR Policy, our sustainability process begins with the understanding of the Group’s context. This is followed by an ongoing identification and assessment of the Group’s impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.

Processes involved are shown in the chart below:



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7.3 Materiality Assessment

We constantly refine our management approach to adapt to the changing business landscape. The Group performs an annual materiality assessment to ensure that issues disclosed in our sustainability reports remain current, material, and relevant. From the assessment, we identify key areas that impact our ability to create value for our stakeholders.

Impacts, positive and negative, actual and potential, are assessed based on: (i) the likelihood of occurrence (“Likelihood of Impact”); and (ii) their significance on the economy, environment, people and their human rights and contribution to sustainable development (“Significance of Impact”).

7.4 Performance Tracking and Reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points (i.e. the information source of the relevant factor) and measuring them. In addition, performance targets that are aligned with our strategy are set to ensure that we maintain the right course in our path to sustainability. We seek to constantly enhance our performance-monitoring and data capturing systems.

8. Material Factors

In FY2023, a stakeholder engagement session and materiality assessment were conducted by the SC to understand the concerns and expectations of our key stakeholders. Through this session and assessment, factors material to the sustainability of our business were updated. In this Report, we also reported on our progress in managing these factors and set related targets to improve our performance.

Presented below are the material Sustainability Factors applicable to the Group:

S/N	Material Sustainability Factor	SDG	Key stakeholder
Customer experience			
1	Total Customer Satisfaction	Decent work and economic growth	<ul style="list-style-type: none"> ▪ Customers ▪ Suppliers
Economic			
2	Sustainable Business Performance	Decent work and economic growth	<ul style="list-style-type: none"> ▪ Employees ▪ Regulators ▪ Shareholders
Environmental			
3	Energy Conservation and Emissions Reduction	Affordable and clean energy	<ul style="list-style-type: none"> ▪ Communities ▪ Shareholders
4	Waste Optimisation	Responsible consumption and production	<ul style="list-style-type: none"> ▪ Communities ▪ Regulators ▪ Shareholders
5	Water Conservation and Wastewater Treatment	Clean water and sanitation	<ul style="list-style-type: none"> ▪ Communities ▪ Regulators ▪ Shareholders
Social			
6	Commitment to Quality Products	Peace, justice and strong institutions	<ul style="list-style-type: none"> ▪ Customers ▪ Regulators ▪ Suppliers
7	Employee Retention and Development	Decent work and economic growth	Employees
8	Equality and Diversity in the Workplace	Reduced inequalities	Employees
9	Employee Health, Safety and Wellness	Good health and well-being	<ul style="list-style-type: none"> ▪ Employees ▪ Regulators
10	Ongoing Community Engagement	Sustainable cities and communities	Communities
Governance			
11	Corporate Governance and Code of Ethics	Peace, justice and strong institutions	<ul style="list-style-type: none"> ▪ Regulators ▪ Shareholders

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We will update the material Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends.

Our material Sustainability Factors are presented as follows:

8.1 Total Customer Satisfaction

Our strategies towards customer satisfaction are as follows:

Cultivate a Long-Term and Sustainable Relationship with Our Partners

Our firm relationships with our strategic partners allow us to gain access to distribute a diverse range of products under the major brands of Falken, Dunlop, Continental and Maxam to meet our customers' needs. It also allows us to secure competitive pricing for our purchases which we can then pass on to our customers through value-for-money products.

Adopt Market Standards for the Quality and Safety of our Products

Tyres under our proprietary brands are manufactured by selected contract manufacturers ("CMS") located in Asia according to international quality standards. The adoption of such standards supports our ability to consistently provide products that meet our customers' needs.

For product safety and consistency in quality, refer to section 8.6 for further details.

Maintain Presence and Proximity to Our Customers

We are one of the largest independent tyre and wheel distributors in Southeast Asia with an international distribution network that spans across Singapore, Malaysia, Thailand, Indonesia, Hong Kong, Australia, South Africa and Vietnam. Our extensive network brings us closer to the markets and to the customers.

Nurture a Team of Highly-Trained and Experienced Employees

We are dependent on our highly-trained and experienced professional staff to serve our customers on the products we distribute. Our strategy to establish a global footprint is driven by a core team of well-trained and experienced professional staff.

On our efforts to retain our valued staff, refer to section 8.7 for further details.

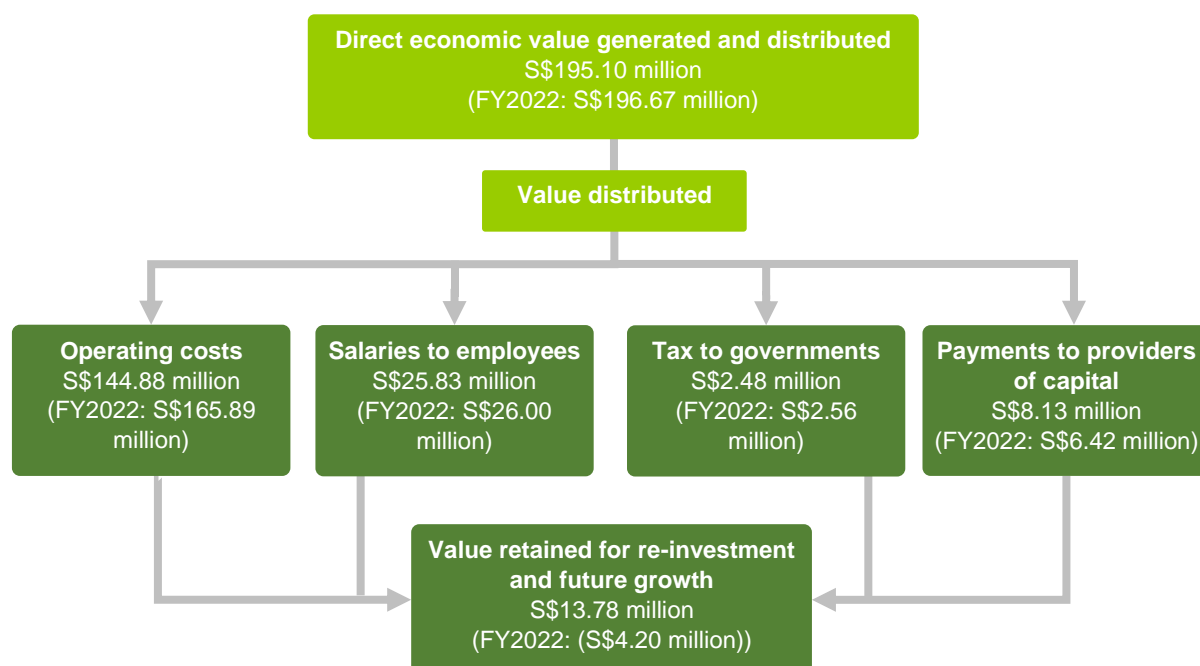
Target for FY2023	Performance in FY2023	Target for FY2024
Maintain or increase market presence subject to market conditions	We are one of the largest independent tyre and wheel distributors in Southeast Asia and there were no material changes in our market presence during the Reporting Period	Maintain or increase market presence subject to market conditions

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8.2 Sustainable Business Performance

We are committed to provide value to various stakeholders through relevant and meaningful ways.

In line with this commitment, value created in FY2023 is distributed as follows:



Further details of our economic performance can be found in the financial contents and audited financial statements of our Annual Report 2023 which is available at our website: https://www.stamfordtyres.com/investor_ar.html.

Target for FY2023	Performance in FY2023	Target for FY2024
Improve our financial performance subject to economic conditions whilst maintaining our dividend payout where practicable	<ul style="list-style-type: none"> No material changes in economic value generated The Board has proposed a dividend of 1.5 cent per share (FY2022: 1.5 cent per share) subject to shareholders' approval at the upcoming Annual General Meeting 	Maintain or improve economic value generated subject to market conditions

8.3 Energy Conservation and Emissions Reduction

We are committed to responsible usage of energy resources and emissions reduction to combat climate change and preserve the environment.

Our operations consume energy mainly for the following purposes:

- Electricity for machineries used in the manufacturing of aluminium alloy wheels and equipment used in our offices
- Liquefied petroleum gas ("LPG") for machineries used in the manufacturing of aluminium alloy wheels, specifically for wheel casting
- Diesel fuel for operating generators in our wheel factory in Thailand ("Wheel Factory") and operating motor vehicles such as trucks and forklifts

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Key initiatives on this front are as follows:

- Since April 2019, we entered into a Solar Power Purchase Agreement with Sembcorp Solar Singapore to install a solar photovoltaic system at our headquarters (“Solar Power Project”). Under this agreement, solar panels are installed on the rooftop of our headquarters to generate electricity. The solar panels help to bring down the roof surface’s temperature which cools the facility. This project also generates clean energy and reduces our utility costs. During the Reporting Period, we generated 2,493,971 kWh (FY2022: 2,699,400 kWh) of clean electricity from the installed solar panels. Below is the installation:



- Systematic maintenance programme for operating equipment to maintain energy efficiency
- Regular tracking, analysis on energy consumption and corrective actions when unusual consumption patterns are observed

Key statistics on energy consumption and GHG emissions during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2023	FY2022
Energy consumption			
LPG consumption ¹²	kg	1,703,253	1,937,712
Diesel fuel consumption	litre	704,623	707,955
Purchased electricity consumption	kWh	11,380,395	14,031,787
Electricity generated by our solar panels	kWh	2,493,971	2,699,400
Energy consumption intensity			
LPG consumption intensity ¹²	kg/revenue S\$'000	269.72	184.84
Diesel fuel consumption intensity	litre/revenue S\$'000	3.83	3.79
Purchased electricity consumption intensity	kWh/revenue S\$'000	61.84	75.06
GHG emissions			
Direct GHG emissions (Scope 1 ¹³)	tonnes CO ₂ e	7,005	7,715
Indirect GHG emissions (Scope 2 ¹⁴)	tonnes CO ₂ e	5,961	7,351 ¹⁵
Total GHG emissions	tonnes CO ₂ e	12,966	15,066 ¹⁵
GHG emissions intensity			
GHG emissions intensity	tonnes CO ₂ e/revenue S\$'000	0.07	0.08 ¹⁵

¹² LPG is consumed mainly by our Wheel Factory.

¹³ GHG emissions from consumption of LPG and diesel fuel controlled by the Company (Scope 1) are calculated based on the emissions factors published by the Intergovernmental Panel on Climate Change.

¹⁴ GHG emissions from electricity purchased by the Company (Scope 2) are calculated using the market-based method which accounts for the reduction in emissions from the consumption of electricity from renewable sources. Using the location-based method based on the latest emissions factors published by the relevant local authorities, our Scope 2 emissions for FY2023 is 6,965 tonnes CO₂e (FY2022: 8,444 tonnes CO₂e).

¹⁵ Figure has been restated as a correction.

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During the Reporting Period, GHG emissions intensity fell largely due to a bigger decrease in LPG and purchased electricity consumption as compared to the decrease in revenue. The decrease in revenue arose mainly due to a decrease in production volume at our Wheel Factory.

Target for FY2023	Performance in FY2023	Target for FY2024
<ul style="list-style-type: none"> Reduce energy consumption intensity Reduce GHG emissions intensity 	<ul style="list-style-type: none"> Increase in LPG consumption intensity No material changes in diesel consumption intensity Decrease in purchased electricity consumption intensity Decrease in GHG emissions intensity 	<ul style="list-style-type: none"> Reduce energy consumption intensity Reduce GHG emissions intensity

8.4 Waste Optimisation

Rapid population growth and urbanisation have expedited the exhaustion of resources. We are committed to environmental preservation through reuse and recycling to operate in a sustainable environment.

a. Segregation of Aluminium Chips for Recycling

The main waste materials generated from our operations are the aluminium chips from wheel production. Aluminium chips from production are collected for outsourced recycling. During the Reporting Period, 88% (FY2022: 88%) of the 3,189,541 kg (FY2022: 4,186,809 kg) of aluminium chips generated from production is recycled. The reduction in aluminium chips generated from production is mainly due to a decrease in production volume at our Wheel Factory.

Aluminium chips



b. Support Singapore's Zero Waste Nation

As a low-lying island state, climate change is an existential threat for Singapore. Addressing the means of managing waste goes a long way in tackling climate change. Singapore is working towards becoming a Zero Waste Nation through ensuring sustainable production and consumption and transforming trash into treasure.

We are proud to support Singapore's drive towards a Zero Waste Nation. Waste produced by our warehouse in Singapore is disposed of by a licensed waste collector. Rubber waste is sent to a licensed waste disposal facility for recycling.

c. Conserve Valuable Resources through Tyre Retreading

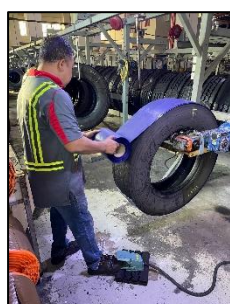
We are actively involved in recycling used tyres through our retreading plants located in Singapore, Malaysia and Indonesia. The retreading plants serve to extend the life span of tyres, thus saving valuable natural resources used in the production of tyres. During the retreading process, used tyres with worn-out tread surfaces are buffed and bonded with new tread rubber liners through application of heat and pressure. Whilst preserving the environment, we also ensure that all retreaded tyres are rigorously inspected to ensure quality and safety.

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We provide tyre retreading services to various markets as follows:

- Singapore: Waste disposal companies, Buses, Cement mixer trucks and General trucks
- Malaysia: Buses, General cargo, Off-Road trucks and Retail companies
- Indonesia: Mining companies

Our Retreading Plants



Singapore



Malaysia



Indonesia

Target for FY2023	Performance in FY2023	Target for FY2024
Optimise waste generated in operations	Maintained the recycling rate for aluminium chips generated from production	Optimise waste generated in operations

8.5 Water Conservation and Wastewater Treatment

We recognise the importance of effectively managing water consumption as valuable water resources may be depleted if we do not manage water consumption and wastewater treatment properly. Accordingly, we are committed to minimising water consumption and managing wastewater quality.

Water is consumed for office use, Wheel Factory and retreading operations, with a substantial amount consumed by the Wheel Factory. Water consumed by our Wheel Factory is used for cooling and washing purposes during manufacturing, such as in cooling towers, for heat quenching baths, casting hydraulic systems, as machines coolant, for painting pre-treatment and basic washing of wheels before paint application.

Key statistics on water consumption and wastewater generated from our wheel manufacturing processes during the Reporting Period are as follows:

a. Water Conservation

Resource	Water consumption (Cu M)		Water consumption rate (Cu M/revenue S\$'000)	
	FY2023	FY2022	FY2023	FY2022
Water	147,706.7	152,552.4	0.80	0.82

Water conservation measures adopted by our operations include the following:

- Water consumption trends are regularly tracked, analysed and corrective actions are taken when unusual consumption patterns are observed
- Systematic maintenance programme for operating equipment to maintain water efficiency for our Wheel Factory

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b. Wastewater Treatment (Wheel Factory)

Wastewater comprises coolant oil and paint sludge which are generated from the following wheel manufacturing processes:

Waste	Source
Coolant oil	Generated from machining process, which is a mixture of oil, coolant chemical and water
Paint sludge	Generated from painting process, which is a mixture of water, paint chemical, thinner, and other particles captured by the water curtains inside the painting booths

Measures taken to manage water quality include ensuring that wastewater is processed by our own water treatment plants before it is released into the waterways and conducting sampling checks to inspect water quality.

During the Reporting Period, the Wheel Factory generated 8,036 tonnes (FY2022: 7,349 tonnes¹⁶) of wastewater and 100% (FY2022: 100%) of wastewater generated from our Wheel Factory is treated by our own water treatment plant.

Target for FY2023	Performance in FY2023	Target for FY2024
<ul style="list-style-type: none"> Maintain or reduce water consumption intensity Achieve 100% wastewater treatment for the Wheel Factory 	<ul style="list-style-type: none"> No material changes in water consumption intensity 100% of wastewater generated from our Wheel Factory is treated by our own water treatment plant 	<ul style="list-style-type: none"> Maintain or reduce water consumption intensity Achieve 100% wastewater treatment for the Wheel Factory

8.6 Commitment to Quality Products

We are committed to delivering the best to our customers by providing them with quality and safe products for our long-term business sustainability.

Our Brands



Our proprietary brands comprise:

- Sumo Firenza and Sumo Tire brands for tyres which are produced by our CMS
- Stamford Sport Wheels, or SSW brand, for alloy wheels which are designed, manufactured and tested in our Wheel Factory

¹⁶ Figure has been restated as a correction.

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The key measures on quality and safety are as follows:

a. Adoption of Market Standards on Product Quality and Safety

To maintain product quality and safety, our Suppliers and Wheel Factory are certified under international quality standards with the following details:

Production line	Brand	Key standards adopted	Certification Centre
CMS	Sumo Firenza, Sumo Tire	ECE certification	TUV Rheinland, TUV SUD
Wheel Factory	SSW	IATF 16949:2016	TUV Rheinland
		ISO 9001: 2015	TUV Rheinland
		VIA/JWL	Japanese Vehicle Inspection Association/Japan Light Alloy Automotive Wheel Testing Council
		SNI Marking Product Certificate	Center for Material and Technical Product, Product Certification Body B4T LSPRO Bandung, Indonesia
		GOST	Euro-Asian Council & CIS for Standardisation, Metrology and Certification (“EASC”)
		ABE (KBA/TUV Germany)	TUV Rheinland Kraftfahrt GmbH
		ECE certification	TUV Rheinland Kraftfahrt GmbH

b. Robust Quality Control

To uphold high standards on product quality and safety, we implemented the following operational measures:

- Manufacturing Management Policy for compliance with the production standards
- Procurement Policy to ensure that procurement teams work closely with Suppliers to comply with our requirements
- Strategic suppliers are regularly evaluated through measures such as annual assessments, sampling tests and visits to Suppliers’ premises
- Production lines are supported by a team of experienced engineers and designers to provide quality assurance

During the Reporting Period, there are no safety-related defects which caused accident and/or injury (FY2022: none).

Target for FY2023	Performance in FY2023	Target for FY2024
Maintain zero safety-related defects which caused accident and/or injury	Maintained zero safety-related defects which caused accident and/or injury	<u>Ongoing and Long-Term Target</u> Maintain zero safety-related defects which may cause accident and/or injury

8.7 Employee Retention and Development

The continual success of our business relies on a team of professional, skilled and experienced staff and managers. We are committed to employee retention through the following efforts:

a. Performance-Based Rewards

We recognise that employees are key to sustainability and therefore aim to reward capable and dedicated employees. Under our performance share plan for key executives, rewards in the form of shares are granted to key executives to align their interests with that of the Group. The share plan is subject to review and approval by an independent Remuneration Committee and the Board of Directors.

b. Workplace Culture and Employee Benefits

Our Employee Handbook provides guidance on corporate culture. We also care for our employees through a comprehensive benefit scheme covering healthcare insurance, maternity leave and paternity leave.

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c. Establish a Quality Team

We encourage continual learning and leadership quality improvements for our employees by offering various training programmes to upgrade their skillsets. During the Reporting Period, our full-time employees attended in-house and external training which cover areas such as workplace safety, machine operations and work processes, quality awareness, product specification, supervisory skills and interpersonal skills development.

Key statistics on training hours are as follows:

Disclosure	FY2023	FY2022
Overall		
Total training hours	5,692	3,824
Average training hours per employee	7	5
Gender (Male)		
Total training hours	4,694	3,096
Average training hours per employee	8	5
Gender (Female)		
Total training hours	998	728
Average training hours per employee	5	3
Management		
Total training hours	235	578
Average training hours per employee	3	7
Non-management		
Total training hours	5,457	3,246
Average training hours per employee	7	4

As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of Singapore Exchange (“SGX”) under listing rule 720(7), we confirm that all directors have attended one of the approved sustainability training courses during the Reporting Period.

Through the above initiatives, we aim to attract and retain talent for our business sustainability. A low turnover improves the sustainability of our operations and allows us to contribute positively to the development of social and human capital in a wider community.

Key statistics on new employee hires and employee turnover are as follows:

New Employee Hires

Key statistics on new hires by gender and age group are as follows:

Disclosure	FY2023		FY2022	
	Number of new hires	Rate of new hires	Number of new hires	Rate of new hires
Gender				
Male	92	15%	108	17%
Female	27	13%	28	13%
Age				
Below 30	57	45%	51	40%
30 to 50	59	11%	76	13%
Above 50	3	2%	9	6%
Overall new hires	119	15%	136	16%

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Employee Turnover

Key statistics on employee turnover by gender and age group are as follows:

Disclosure	FY2023		FY2022	
	Number of turnovers	Rate of turnover	Number of turnovers	Rate of turnover
Gender				
Male	115	19%	109	17%
Female	35	17%	25	11%
Age				
Below 30	51	40%	42	33%
30 to 50	84	16%	75	13%
Above 50	15	10%	17	12%
Overall turnover	150	18%	134	16%

We will continuously work towards reducing our turnover rate.

Target for FY2023	Performance in FY2023	Target for FY2024
Maintain or improve employee retention rate subject to market conditions	No material changes in overall turnover rate for full-time employees	Maintain or improve employee retention rate subject to market conditions

8.8 Equality and Diversity in the Workplace

We are committed to the goals of diversity and equal opportunity in employment by providing an environment for our employees that fosters fairness, equality and respect for social and cultural diversity, regardless of their gender, age and educational background.

Gender Diversity (%)

On gender diversity, we view diversity on the Board level as an essential element in supporting sustainable development with three (FY2022: two) female Board members or 43% (FY2022: 33%) female representation on the Board. The percentage of female to full-time employees is 26% (FY2022: 26%) and about 34% (FY2022: 33%) of managers are females as at 30 April 2023.

Key statistics on gender diversity of our employees are as follows:

Disclosure	FY2023		FY2022	
	Male	Female	Male	Female
Overall	74%	26%	74%	26%
Management level				
Management	66%	34%	67%	33%
Non-management	75%	25%	75%	25%

Age Diversity (%)

We maintain a fair and open employment policy through providing fair employment opportunities to both young and mature workers. On age diversity, mature workers are valued for their experience, knowledge and skills. As at 30 April 2023, 18% (FY2022: 18%) of full-time employees is above 50 years old.

Key statistics on age diversity of our employees are as follows:

Disclosure	FY2023			FY2022		
	Below 30	30 – 50	Over 50	Below 30	30 – 50	Over 50
Overall	16%	66%	18%	15%	67%	18%
Management level						
Management	1%	61%	38%	-	70%	30%
Non-management	17%	67%	16%	17%	67%	16%

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Educational Diversity (%)

On diversity in educational background, we seek to create an inclusive environment for our employees from different educational backgrounds. The distribution of full-time employees by educational level is as follows:

Educational qualification	FY2023	FY2022
Tertiary	29%	29%
Non-tertiary	71%	71%
Total	100%	100%

During the Reporting Period, we have no (FY2022: zero) reported incidents of unlawful discrimination against employees.

To promote equal opportunity, we have implemented various human resources measures as follows:

- Human Resources Policy and Employee Handbook for recruiting and promoting employees based on merit and competency
- Assessment is performed regularly to evaluate the performance of employees and provide them with a sense of self-awareness to undertake training that will improve their skills and abilities
- Recruitment advertisements do not state age, race, gender or religion preferences as a requirement

Target for FY2023	Performance in FY2023	Target for FY2024
Maintain zero reported incidents of unlawful discrimination against employees	Maintained zero reported incidents of unlawful discrimination against employees	<u>Ongoing and Long-Term Target</u> Maintain zero reported incidents of unlawful discrimination against employees

8.9 Employee Health, Safety and Wellness

In the Group's daily operations, workers are required to operate heavy lifting equipment such as forklifts for inventory handling. For the Wheel Factory, workers also operate in a high-temperature environment with the use of chemicals such as paints. Given the potential hazards in this environment, we strive to maintain a safety-conscious culture.

Measures implemented to manage health and safety are as follows:

- Safety rules and regulations
- Safety inspections are performed regularly by Safety Committee and reported to senior managers
- All new employees are briefed on safety procedures during orientation
- Regularly track and monitor workplace accidents
- Corrective action plans are implemented to prevent recurrences of accidents
- Dedicated first-aid room is maintained at the Wheel Factory to provide immediate and effective medical treatment to injured personnel



Our retail and fleet operations in Singapore are bizSAFE 3 certified by the Workplace Safety and Health Council of Singapore.

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During the Reporting Period, there was an unfortunate (FY2022: zero) workplace fatality in Indonesia due to an offsite traffic accident; no (FY2022: zero) high-consequence work-related injuries; 11 (FY2022: 15) recordable work-related injuries and no (FY2022: zero) work-related ill health cases.

The workplace accidents are mainly associated with finger injuries and exposure to electric sparks. We will continuously strive to reduce the occurrence and severity of workplace accidents.

Target for FY2023	Performance in FY2023	Target for FY2024
Reduce the number of work-related injuries	<ul style="list-style-type: none"> An unfortunate workplace fatality in Indonesia arose from an offsite traffic accident Maintained zero high-consequence work-related injuries and recordable work-related ill health cases Decrease in number of recordable work-related injuries 	<u>Ongoing and Long-Term Target</u> Reduce the number of work-related injuries

8.10 Ongoing Community Engagement

We recognise that the long-term success of our business is closely related to the health and prosperity of the communities that we operate in. Accordingly, we strive to constantly contribute to the community.

During the Reporting Period, we initiated the following campaigns to help the community:

Singapore Red Cross (“SRC”)

We have been supporting the servicing and tyre change needs of 18 vehicles since August 2018. The vehicles typically make over 12,000 lifesaving trips a year and are deployed all over Singapore.

The estimated retail cost of savings for SRC is approximately SGD 15,000 per year. We are proud to partake in SRC’s noble mission.



National Children's Day in Thailand

Our Thai subsidiary contributed funds for sponsoring prizes towards the celebration of National Children's Day in Rat Niyom Temple Community School and Sai Yai Subdistrict Administrative Organization’s Child Development Center.

Rat Niyom Temple Community School is run by monks to empower disadvantaged children in Rat Niyom Subdistrict, Sai Noi District, Nonthaburi Province, Thailand. The Child Development Center is established by Sai Yai Subdistrict Administrative Organization, a Thai Government Unit, to support the education for underprivileged children in Sai Noi District.



Donation to Vulnerable Communities in Thailand

One of our Thai employees informed the Human Resources Department of our Thai subsidiary about the poor living conditions of an elderly couple at Lat Bua Luang District, Ayutthaya Province, Thailand, which is near our factory site. The husband is bedridden and his wife, who is equally old, is his sole caregiver.

We provided food and other basic necessities for the couple.



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Donation of Supplies for Schools in Rural Indonesia

Our Indonesian subsidiary donated school uniforms and school bags to students of SD Negeri I Pomako, East Mimika District, Mimika district, Central Papua, Indonesia to support and improve the quality of education in rural areas near our work sites.



Training and Internship Programmes for Indigenous Papuans

We collaborated with a local Papuan company, CV. Dimpil., to organise training and internship programmes for indigenous Papuans at our workshops in Indonesia.



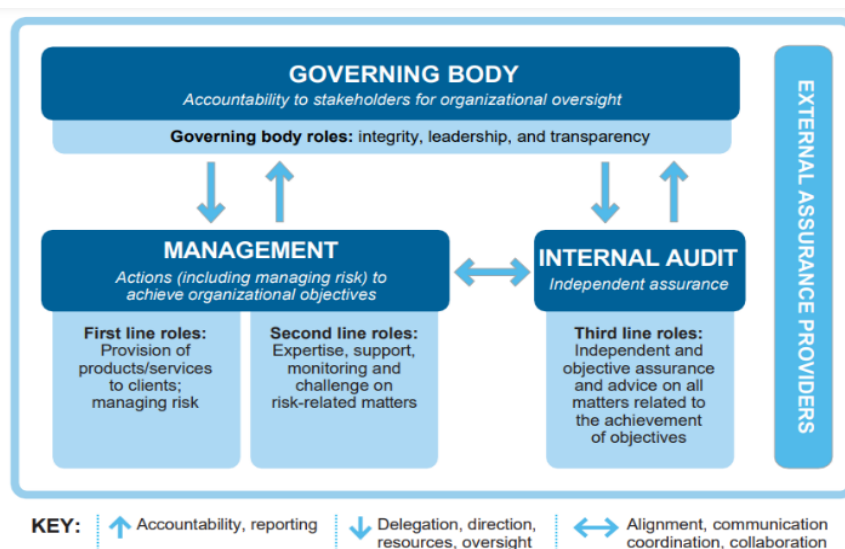
Through these programmes, we hope to develop the technical skills of indigenous Papuan people in car and tyre servicing and maintenance to boost their employment opportunities in the automotive industry.

Target for FY2023	Performance in FY2023	Target for FY2024
Initiate various campaigns to help the communities	Initiated various campaigns to help the communities	Initiate various campaigns to help the communities

8.11 Corporate Governance and Code of Ethics

We are committed to high standards of corporate governance and believe that a high standard of corporate governance is integral in ensuring sustainability of our business, as well as safeguarding shareholders’ interests and maximising long-term shareholder’s value.

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors (“IIA”). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:



Source: Three Lines Model issued by the IIA

An Employee Handbook to provide guidance to our employees on areas such as conduct in the workplace, business conduct, confidentiality of information and conflict of interest. In line with our commitment to maintain a robust corporate governance framework, we have implemented a Whistle Blowing Policy to provide a mechanism for employees to raise concerns through accessible confidential disclosure channels about possible improprieties in matters of financial reporting and others. In FY2023, no complaints on serious offences (FY2022: none) is reported.

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Our overall Singapore Governance and Transparency Index (“SGTI”) score assessed by National University of Singapore Business School is 87 for year 2023 (Year 2022: 88).

The Board and Management firmly believe that the success of our quest for good governance lies in having an effective framework of risk management and internal controls that is aligned with market standards and best practices. Refer to the Corporate Governance Report of the Annual Report 2023 for details of our corporate governance practices.

Target for FY2023	Performance in FY2023	Target for FY2024
Maintain zero incidents of complaints on serious offences	Maintained zero incidents of complaints on serious offences	<u>Ongoing and Long-Term Target</u> Maintain zero incidents of complaints on serious offences

9. Supporting the UN Sustainable Development Goals

We have incorporated the SDGs under the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, where appropriate, as a supporting framework to shape and guide our sustainability strategy. The results shown below are how our Sustainability Factors relate to these SDGs:

SDG	Our effort
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p><u>Section 8.9 Employee Health and Safety and Wellness</u></p> <p>We implement measures to ensure a safe and secure environment for our employees.</p>
 <p>6 CLEAN WATER AND SANITATION</p> <p>Ensure availability and sustainable management of water and sanitation for all</p>	<p><u>Section 8.5 Water Conservation and Wastewater Treatment</u></p> <p>We implement checks and measures to reduce water wastage and manage the quality of wastewater generated from our business operations. This in turn helps us to work towards achieving sustainable management and efficient use of natural resources.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p><u>Section 8.3 Energy Conservation and Emissions Reduction</u></p> <p>We maintain a solar photovoltaic system at our headquarters and continuously implement measures to reduce energy consumption as responsible usage of energy resources results in less carbon emissions and thus helps to preserve the environment.</p>

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SDG	Our effort
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><u>Section 8.1 Total Customer Satisfaction</u> We understand that maintaining a high level of customer satisfaction is essential to the continued success of our business. This in turn helps to contribute to economic growth as well as protection and creation of jobs.</p> <p><u>Section 8.2 Sustainable Business Performance</u> We contribute to economic growth through creating long-term value for our stakeholders.</p> <p><u>Section 8.7 Employee Retention and Development</u> We believe in creating decent and fulfilling jobs and a rewarding environment for our employees. This in turn contributes to economic growth through investing in development of our people to upgrade their professional skills and enhance our business competencies.</p>
 <p>Reduce inequality within and among countries</p>	<p><u>Section 8.8 Equality and Diversity in the Workplace</u> We ensure equal opportunity for all employees regardless of age, gender and educational background.</p>
 <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p><u>Section 8.10 Ongoing Community Engagement</u> We initiate various campaigns to give back to the communities we operate in and to promote health and prosperity.</p>
 <p>Ensure sustainable consumption and production patterns</p>	<p><u>Section 8.4 Waste Optimisation</u> We implement measures to help reduce waste that is generated from our business operations.</p>
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p><u>Section 8.6 Commitment to Quality Products</u> We ensure compliance to market standards with regards to the quality and safety of our products.</p> <p><u>Section 8.11 Corporate Governance and Code of Ethics</u> We maintain high standards of corporate governance to safeguard our shareholders' interest and maximise long-term shareholder value. We conduct business with integrity by avoiding corruption.</p>

10. Supporting the TCFD

We are committed to supporting the recommendations by the TCFD and have disclosed some of our climate-related financial disclosures in the following key areas as recommended by the TCFD:

Key area	Our approach
Governance	<p>The Board oversees the management and monitoring of the Sustainability Factors and consider climate-related issues in determining the Group's strategic direction and policies.</p> <p>Our sustainability strategy is developed and directed by the Group's SC in consultation with the Board. The Group's SC, which includes senior management executives and key managers from various functions, is led by the Executive Director. The SC is responsible for maintaining oversight on the Group's sustainability ambitions, strategies and performance.</p>
Strategy	<p>The climate-related risks and opportunities identified by the Group during the climate-related risk assessment exercise includes the following:</p> <ul style="list-style-type: none"> ▪ The reputational and financial risks for not meeting the demands of customers, regulators and shareholders amidst the enhanced emissions reporting requirements ▪ On the other hand, such obligations raise climate awareness amongst our employees. With more defined job responsibilities and training, the Group will be in a better position to meet the rising needs and expectations of our relevant stakeholders on the environment <p>We are currently looking into conducting climate-related scenario analysis consistent with the recommendation, wherever possible, using commonly agreed sector/ subsector scenarios and time horizons.</p>
Risk management	<p>The Group's climate related risks and opportunities are identified and assessed during a climate-related risk assessment exercise. We also manage our climate-related risks by monitoring the trend of climate-related performance indicators.</p>
Metrics and targets	<p>We track, measure and report on our environmental performance, including energy, water and waste management and disclose related metrics in our Report. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts.</p> <p>To support the climate change agenda, we disclose our Scope 1 and Scope 2 GHG emissions in the sustainability report and set climate-related targets such as those related to water, energy, GHG emissions and waste management. We will continue to monitor our emissions and disclose Scope 3 GHG emissions wherever applicable and practicable.</p>

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11. GRI Content Index

Statement of use	Stamford Tyres Corporation Limited has reported the information cited in the GRI Content Index for the period from 1 May 2022 to 30 April 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	1, 8, Annual Report 2023 (“AR23”): 12 – 13, 68, 128 - 131
	2-2 Entities included in the organisation’s sustainability reporting	3
	2-3 Reporting period, frequency and contact point	3
	2-4 Restatements of information	4, 10, 13
	2-5 External assurance	3
	2-6 Activities, value chain and other business relationships	4
	2-7 Employees	4, 16 - 17
	2-8 Workers who are not employees	We have approximately 219 workers who are not employees in FY2023. They are mainly workers supplied to our customers, workers for retreading plant and warehouse, factory operators, drivers and cleaners.
	2-9 Governance structure and composition	6, AR 23: 4 - 5
	2-10 Nomination and selection of the highest governance body	AR 23: 33 - 35
	2-11 Chair of the highest governance body	6
	2-12 Role of the highest governance body in overseeing the management of impacts	6
	2-13 Delegation of responsibility for managing impacts	6
	2-14 Role of the highest governance body in sustainability reporting	6
	2-15 Conflicts of interest	AR 23: 22
	2-16 Communication of critical concerns	19
	2-17 Collective knowledge of the highest governance body	15
	2-18 Evaluation of the performance of the highest governance body	AR 23: 36 - 37
	2-19 Remuneration policies	AR 23: 37 – 40
	2-20 Process to determine remuneration	AR 23: 39 - 40
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	1 - 2
	2-23 Policy commitments	19 - 22
	2-24 Embedding policy commitments	19 - 22
	2-25 Processes to remediate negative impacts	19
	2-26 Mechanisms for seeking advice and raising concerns	19
	2-27 Compliance with laws and regulations	17, 19
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	5
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	6 - 7
	3-2 List of material topics	7
	3-3 Management of material topics	8 - 20
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	9
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	19
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	10
	302-3 Energy intensity	10

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GRI standard	Disclosure	Location
GRI 303: Water and Effluents 2018	303-4 Water discharge	12 - 13
	303-5 Water consumption	12
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	10
	305-2 Energy indirect (Scope 2) GHG emissions	10
	305-4 GHG emissions intensity	10
	305-5 Reduction of GHG emissions	10
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	11
	306-3 Waste generated	11
	306-4 Waste diverted from disposal	11
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	15 - 16
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	14
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	18
	403-10 Work-related ill health	18
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	15
	404-2 Programmes for upgrading employee skills and transition assistance programmes	15
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	16 - 17
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	17
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	18 - 19
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	14